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CEPAL'S ROLE IN TRADE AND TRANSPORT FACILITATION

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Introduction

Trade and transport facilitation may be defined as the simplification, minimization and, where possible, standardization of those governmental and institutional procedures, formalities and requirements which not only place financial and economic burdens on the international free flow of goods, transport equipment and crews, and passengers and their baggage but can even prevent the international flow of trade itself. To accomplish such a broad purpose, that cuts across national boundaries and practices, national, regional and even global efforts must be made to permit or ease these flows.

The need for trade and transport facilitation in Latin America was recognized as early as 1928, when the Sixth International Conference of American States adopted two resolutions on regional simplification and standardization of customs procedures and port formalities. Additionally, member countries of the Organization of American States (OAS) recognized Latin America's need for trade and transport facilitation at the Inter-American Port and Harbor Conference, held at San José, Costa Rica in May 1956. At this Conference the Declaration of San José was adopted and provides in its section X:

"That the Member States should recognize the advisability of initiating and carrying out periodic reviews of documentary requirements for vessels and their cargoes, with a view to reducing to a minimum and making as uniform as possible such requirements and thereby relieving shipping activities of all data requirements not actually necessary to meet the provision of laws, regulations, and rules."

During this same period a growing number of member countries of the United Nations in other regions were also becoming aware of the problem. This awareness, for example, led member countries of the Economic Commission for Europe (ECE), in 1960, to establish a group of experts on the simplification and standardization of external trade documents. In 1963 this Group prepared a document layout key - based in part on Sweden's earlier work in trade

/document simplification

document simplification and standardization - which has served as a basis for the harmonization of external trade documents not only in Europe but throughout the world. In 1971 the Group of Experts became the Working Party on Facilitation of International Trade Procedures. Its terms of reference are to facilitate international trade and transport through the rationalization of trade procedures, particularly through the establishment of standard international terminology and a uniform system of codes for the automatic processing and transmission of trade information.^{1/}

The Treaty of Montevideo was the first regional agreement to express (in its article 49) the two interrelated purposes of trade and transport facilitation - to remove or lessen the non-tariff burdens on the free flow of international trade and, equally important, to serve as an indispensable tool for economic integration. Subsequently, the Convention on Transport by Water prepared by LAFTA was adopted in September 1966 and provides, in its article 22, that contracting parties must simplify and make uniform maritime transport documentation. With a view to providing some guidance for the implementation of article 22, in December 1969 LAFTA adopted resolution 254 (IX), which proposed the use of eight model uniform documents and in December 1971 adopted resolution 286 (XI) which recommends to contracting governments the use of uniform customs import and export documents.

Based in part upon the aforementioned Declaration of San José, in June 1963 the OAS prepared the Inter-American Convention on Facilitation of International Waterborne Transportation - better known as the Mar del Plata Convention. This Convention provides a means by which contracting States may collaborate for the development and adoption of annexes to the said convention designed to facilitate international maritime transport. Further, in 1965 the Inter-Governmental Maritime Consultative Organization (INCO), a United Nations specialized agency, prepared the Convention on Facilitation of International Maritime Traffic, which is quite similar to the earlier Mar del Plata Convention. The purpose of this Convention is to facilitate maritime transport by simplifying and reducing to a minimum the formalities, documentary requirements and procedures on the arrival, stay and departure of

^{1/} ECE, Trade /WP.4/Inf.48.

ships engaged in international voyages. In 1972 the IMCO Ad Hoc Working Group on Facilitation was restructured as a Facilitation Committee. This Committee has within its terms of reference all matters concerning the facilitation of international maritime travel and transport, and deals with the formulation, circulation, adoption and implementation of facilitation measures to expedite maritime traffic and prevent unnecessary delays.

In 1969 the ECE, through its resolution 4 (XXIV), emphasized the need for co-ordination of facilitation efforts on a world-wide basis. The United Nations Economic and Social Council (ECOSOC) took note of this resolution and, with financing from the United Nations Development Programme (UNDP), a post of Interregional Adviser on Trade Facilitation was created within the United Nations Conference on Trade and Development (UNCTAD). In 1975 UNCTAD's work on facilitation was enlarged through the establishment of a Special Programme on Trade Facilitation (FALPRO), whose terms of reference cover the development of trade facilitation measures, provision of substantive support for technical assistance and, as this Programme is global in nature, close co-operation with the facilitation work of the regional economic commissions and other international organizations.

Similarly, many other United Nations organizations either have ongoing facilitation programmes or actively contribute to the field. Article VIII of the General Agreement on Tariffs and Trade (GATT) seeks to liberalize trade through simplification and minimization of import and export formalities and documentary requirements. Annex 9 of the Convention on International Civil Aviation (Chicago 1944), prepared by the International Civil Aviation Organization (ICAO), presents facilitation standards and recommended practices for air transport. The United Nations Commission on International Trade Law (UNCITRAL) seeks to harmonize national laws and international agreements; and the Universal Post Union (UPU) and ICAO work together to facilitate air mail.

Recognizing the importance of a co-ordinated Latin American trade and transport facilitation programme, the countries represented at the First Latin American Regional Preparatory Meeting on the International Convention on Multimodal Transport, held in Mar del Plata, Argentina, from 21 to 30 October 1974, adopted a resolution which includes the following provision:

/"(2) To

"(2) To recommend to CEPAL that it maintain its consultations with intergovernmental organizations, principally those of the region, in the field of facilitation, with a view to achieving the greatest co-ordination of their actions and avoiding duplication of efforts."

In response to this broadly recognized need not only for regional trade and transport facilitation but also for its co-ordination, the member countries of CEPAL, at the sixteenth session held in Port of Spain, Trinidad and Tobago, from 6 to 15 May 1975, adopted resolution 356 (XVI) which reiterates the CEPAL secretariat's role in the field of facilitation. This resolution:

"(a) Recommends that the secretariat support regional action to facilitate the procedures applied in trade and transport, both intra-regional and with the rest of the world, and empowers the secretariat to call specialized meetings, after consultations with the governments directly interested, to serve as forums for the countries and regional and sub-regional organizations to co-ordinate their own action programmes in these matters;

(b) Requests the secretariat to assist the Latin American countries, at their request and in such ways as they may suggest, in co-ordinating regional positions prior to world meetings in the field of transport."

A growing awareness within the United Nations family of organizations that solutions to many economic problems can be more effectively developed on a regional basis led the United Nations General Assembly in December 1977 to adopt in part IV resolution 32/197 which restructured the Organization's economic and social sectors. This resolution recognizes the regional economic commissions as principal centres for regional economic development, co-ordination and co-operation.

Recent CEPAL facilitation activities

In compliance with resolution 356 (XVI), adopted by the Commission in May 1975, CEPAL views its basic role in facilitation as the provision of pertinent data, information and analyses to Latin American governments and other relevant institutions to ensure that the introduction of, for example,

/standardized procedures

standardized procedures for customs transit or new transport technology such as containerization or roll-on/roll-off services will assist the realization of the following national and regional facilitation objectives:

- (a) to contribute to the expansion of exports and reciprocal trade;
- (b) to reduce the cost of imports;
- (c) to obtain an increasing share in the transport of foreign trade and related supplementary services;
- (d) to assure participation as owners and operators of new transport technologies and promote participation as producers of these technologies; and
- (e) to create efficient institutional arrangements in trade and transport which reflect the principle of reciprocity.

While all these national and regional facilitation objectives appear to be compatible, such is not always the case. For example, a facilitation proposal to establish multimodal transport operators might not only reduce the cost of imports but also reduce national participation in the carriage of its foreign trade if such operators are controlled from outside the region. Further, the adoption of an extra-regional customs guaranty transit régime which might not only create efficient institutional requirements for regional transport but also reduce regional participation in such transport to the extent that Latin American nations are unable to comply with said requirements for transport in, for example, containers meeting specific construction standards. Therefore, each facilitation proposal must be carefully studied to determine its effects on each national and regional facilitation objective.

In an effort to assist member governments and other relevant institutions in the maximization of each national and regional facilitation objective, CEPAL undertakes studies of trade and transport facilitation problems in collaboration with the countries or organizations involved, serves as a forum to co-ordinate and harmonize proposed solutions to facilitation problems, and provides technical assistance to various regional and national organizations and governments. Among CEPAL's current activities in facilitation the following may be cited:

/(a) In

(a) In October 1973 the Economic Commission for Latin America (CEPAL) and the Institute for Latin American Integration (INTAL) undertook a study of the land transport corridors between Lima-Buenos Aires and Lima-São Paulo. This study not only demonstrated the various options available to Latin America multinational transport but also assisted in generating land transport services that were previously not considered technically and economically appropriate. As one part of this study the Latin American Railways Association (ALAF), CEPAL and INTAL jointly sponsored the first multinational through rail shipment ever attempted from Chile via Argentina and Bolivia to Brazil. During the trip an inventory was made of some 24 different documents required. As a direct consequence of this experience, ALAF and CEPAL collaborated to prepare and obtain approval of the MULTILAF Agreement covering the multinational (i.e., involving three or more countries) transport of goods by the railways of Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay. CEPAL is also collaborating on the fulfilment of the provision of this convention which calls for a single multinational transport document, by designing a waybill aligned with the United Nations layout key.

(b) In 1974 the Bolivian and Chilean governments requested CEPAL to undertake a study of the procedures and documentation requirements affecting Bolivian imports in transit through the port of Arica, Chile. The resulting report, published in January 1975, recommended a completely new Integrated Transit System. After its approval by the two governments in May 1975, this system was implemented in August 1975 and has permitted significant improvements in the speed with which transit cargo is dispatched to Bolivia, although it has not solved the transport problems of that country. After the implementation of this transit system CEPAL prepared two additional studies at governmental request - one evaluating the newly implemented transit system (1976) and another presenting bases for the establishment of a unified tariff system (1977). The Integrated Transit System has since been extended to Bolivian imports through the port of Antofagasta, Chile (April 1978). Document E/CEPAL/1064 describes this important experience in more detail.

/(c) To

(c) To facilitate the customs transit of goods, CEPAL assisted LAFTA in 1976 in elaborating a set of common norms for customs procedures that follow closely the stipulations in appendix E.1 of the Kyoto Convention developed by the Customs Co-operation Council. These common norms were then incorporated into the Customs Transit Annex of the International Land Transport Convention at the Eighth Meeting of Ministers of Public Works and Transport of the Southern Cone. This Convention and its annexes apply to Argentina, Brazil, Bolivia, Chile, Paraguay, Peru and Uruguay, and it is now in the process of adoption.

(d) In August of 1975 CEPAL initiated the publication of a bimonthly Bulletin on Trade and Transport Facilitation which is now distributed to some 1,300 recipients in 70 countries. Some issues analyse in depth a single topic of special interest, while others contain a digest of recent facilitation activities and topics both within the region and around the globe. The Bulletin thus constitutes a vital communications link between Latin America and the rest of the world that emphasizes the importance of this region's contributions to the facilitation of trade and transport.

(e) The Sixth Meeting of Ministers of Public Works and Transport of the Southern Cone, held in November 1975, agreed to promote the preparation of an International Multimodal Transport Convention for the countries of the Southern Cone and requested collaboration from CEPAL in this effort. Upon learning of CEPAL's intention to begin work on such an agreement, the Second Latin American Regional Preparatory Meeting on the International Convention on Multimodal Transport (Buenos Aires, December 1976) requested that its geographical scope be widened to include the entire region. In compliance with these requests and the work programme of the secretariat approved at the seventeenth session of the Commission, an original draft convention limiting the civil liability of carriers in the international land transport of goods was prepared. Subsequently, this original draft was circulated to various national, international, regional and subregional organizations for comments and suggestions. After receipt of comments and suggestions a Group of Experts was convened in December 1977 to review and where necessary amend the aforementioned draft convention. Further, the Group of Experts recommended

/in its

in its report (E/CEPAL/1047) that the secretariat should undertake a study on the effects of establishing relatively high or low limits of financial liability for such carriers. As a result of this recommendation, the following study was subsequently prepared and distributed: Limit of Civil Liability of Carriers in International Land Transport in Latin America: Criteria for its Establishment (ST/CEPAL/Conf.67/L.2).

Most recently, an Intergovernmental Preparatory Meeting was held in September 1978. At this Meeting governmental delegates from CEPAL member nations reviewed the draft convention as prepared by the Group of Experts, made changes considered necessary, and recommended that various additional studies be undertaken by the secretariat. The Intergovernmental Preparatory Meeting's report (E/CEPAL/1054), which contains the draft Latin American Convention on the Civil Liability of Carriers in the International Land Transport of Goods (CRT), as approved by the government representatives, has been circulated to all member nations of the Commission and other interested organizations. The aforementioned additional studies recommended by the governmental delegates are:

- (i) possible conflicts between the CRT and various bilateral agreements concerning differing requirements for consignment notes, waybills and bills of lading;
- (ii) the effects of including provisions in the CRT concerning shippers' right to recover goods considered lost;
- (iii) an evaluation of various voluntary tribunal selection provisions in international transport conventions to determine the type of provision which best ensures shippers' contractual freedom in this matter;
- (iv) a review of articles 12, 13 and 14 of the CRT - which concern revisions or amendments, functions of the depository and final provisions, respectively - to determine if these articles are consonant with standards governing these matters in other international conventions.

/Additionally, the

Additionally, the governmental delegates at the Meeting discussed the appropriate next steps to be taken in preparation of the CRT. The relevant portions of the Meeting report, concerning this discussion, read as follows:

"95. A delegation proposed that during the eighteenth session of the Commission the desirability of continuing the preparatory work of the CRT should be examined. This delegation said that prior to this examination it could not ensure its participation in the continuation of the preparatory work.

96. Another delegation found that the observations which led to the above proposal were relevant, although it was not the moment to examine the desirability of continuing with the preparatory work of the CRT, since in order to complete this work, at least one other intergovernmental preparatory meeting must be held.

97. The other delegations which took part in the discussion mentioned the importance of the rules on international land transport for the region and considered that it would be advisable for the CEPAL secretariat, in consultation with the countries, to settle the venue and date of the next intergovernmental preparatory meeting, so that it could be held after the eighteenth session of the Commission. They also requested that the secretariat, during the meetings of the eighteenth session, should inform the countries on the progress achieved in preparing the draft convention."

The Commission was therefore requested to instruct the secretariat concerning the future steps to be taken in preparation of the CRT.

(f) Latin American port authorities, shipping agents and shipowners are assisting the OAS/CEPAL Maritime Transport Programme in the collection of all documentary requirements for the arrival, stay and departure of ships in ports of this region. This information will be incorporated into a manual, which will be kept up to date by the Latin American Shipowners' Association (ALAMAR), to aid the shipping industry in complying with such requirements and, hopefully, to help various facilitation groups with their work. Additionally, this manual will assist the region's progress in complying with its own Mar del Plata Convention (1963) on maritime facilitation, which is very similar to the IMCO Facilitation Convention (1965).

/(g) In

(g) In the area of trade and transport data transmission, the joint OAS/CEPAL Maritime Transport Programme is collaborating with the ECE Working Party on Facilitation of International Trade Procedures in the development of two coding schemes that will assist information interchange. The first is an international location code (LOCODE) that combines the ISO Alpha-2 country code with the existing IATA three-letter location identifier code, or with a specially invented code for any location not already having a IATA code. CEPAL has submitted a preliminary analysis of a file structure for handling these codes by computer to UNCTAD's Special Programme on Trade Facilitation (FALPRO) for study. The second is a proposal to restructure the existing International Telecommunications Union system for assigning ships' radio call signs so as to base them on the ISO Alpha-2 country code, thereby making them better suited for use in international trade documents as a ship identification code. Such a change is desirable because the name of a ship in plain language is in general unnecessarily long and not unique. The present radio call sign is both short and unique, but lacks coherence and offers no easily-recognizable link to the country of registry. Since a revised code structure incorporating the two-letter ISO country designator would constitute a significant improvement, the ECE Working Party on Facilitation of International Trade Procedures has recommended that this proposal be adopted at the next World Administrative Radio Conference in 1979.

(h) With the financial and technical assistance of the Spanish Government, and with technical and organizational contributions from ALAF and CEPAL, an International Railway Transport Seminar was held from 6 November to 7 December 1978 in Madrid, Spain. Seminar participants included 17 executives from the 10 Latin American railways associated with ALAF whose routes are interconnected. The excellent organization of this Seminar by the Spanish Government permitted a high level of technical discussion among the participating railway executives concerning Spanish and European experiences in international rail transport facilitation. CEPAL is grateful to the Government of Spain for such efforts, as they permitted discussions to be held in an open and frank atmosphere. The experience obtained by the participants in this Seminar will be an element of great importance in the application of the plan of action to facilitate international rail transport that is being prepared by ALAF with close collaboration from CEPAL.

/(i) After

(i) After recognizing that the rate of growth of trade carried by road vehicles within the Andean subregion was being restricted by non-tariff barriers, the Andean Development Corporation (CAF) and the Economic Commission for Latin America (CEPAL) in early 1977 undertook a joint study, in close co-operation with the Board of the Cartagena Agreement (JUNAC), to identify viable intra-subregional road transport services and determine incentives which would increase participation in such transport. Among others, the following areas were analysed: intra-subregional trade by transport means and product groups; current state; deficiencies and restrictions of the road network, and projects under study for improvement of said network; consequences of road vehicle weight limitations; cost comparison for each identified viable means of intra-subregional transport; qualifications for road vehicles and companies engaged in intra-subregional transport; consequences of customs transit régimes and civil liability régimes for international transport companies; procedures, formalities and requirements related to, and tax aspects of such carriage; and the role of subregional organizations in the facilitation of such carriage. The results of this exhaustive study are described in greater detail in Perspectives Concerning International Road Transport in the Andean Subregion (E/CEPAL/L.154), Inventory of the Infrastructure and of the Projects Concerning the Central Andean Road System (E/CEPAL/L.154/Add.1) and Evaluation of the Influence of Maximum Axle Weight Restrictions on the Cost of Truck Transport for the Andean Subregion (E/CEPAL/L.154/Add.2).

The scope of trade and transport facilitation problems in Latin America

The importance and scope of trade and transport facilitation problems in Latin America may be demonstrated by examining the burdens placed on intra-regional commerce by unnecessary or redundant documentation assessing the regional needs for transit facilities, and identifying some areas in which regional facilitation work might advantageously be carried out.

Latin American intra-regional overland trade was delayed for decades because many roads and railways were constructed for transport to and from ports and therefore lacked the necessary interconnecting routes which would allow reciprocal trade. The Latin American region now possesses a reasonably complete network of highways and rail connexions between countries which

/have contributed

have contributed to an increase in recent years in the volume of intra-regional trade transported overland. There are still countries, however - especially those in the interior of the continent - which do not possess networks adequate for their internal and external trade needs. While early low trade levels did not place undue burdens upon the existing institutional infrastructure, the increase in intra-regional trade has clearly demonstrated the weaknesses and inadequacies of the existing institutional system. Even though a number of Latin American countries are parties to world and regional facilitation conventions in the fields of air transport, maritime transport and customs, international land transport is covered only by subregional agreements, and these are not entirely compatible.

As the Latin American region presently lacks an adequate institutional infrastructure to facilitate the overland movement of trade, such trade is frequently governed by bilateral agreements, by each country's commercial code while the goods are being transported through that country, and by agreements made with sellers, freight forwarders, banks, carriers and other commercial interests. In all aspects not specifically prohibited by their respective governing legal régimes, the aforementioned parties in regional trade and transport are free to conduct business in any manner they choose, and in these circumstances they can and generally do develop a multiplicity of procedures, formalities and requirements that, while serving their own particular needs, may create sources of conflicts between trading partners.

As most governmental and institutional procedures, formalities and requirements in regional and international trade necessitate the preparation of documents, it was noted in Trade Documentation Information (TRADE/WP.4/INF.29) that

"the cost of drawing up documents amounts to 10 per cent of the trade transaction, increasing the price of products and the cost of distribution".

During the last 10-15 years the physical movement of goods has developed in revolutionary ways, leading to a situation in which goods arrive before documents, causing delays in clearance, congestion in ports and airports, and added costs. The late arrival of documents or needed information at

/destination delays

destination delays release of the goods and possibly incurs costs such as fines, demurrage and loss of business which can be far more significant than the direct cost of document preparation. As both direct and indirect documentation costs are incorporated into selling prices, either importers pay higher prices for purchases or exporters make smaller profits by absorbing some of the costs. Thus, the costs of documentation can seriously endanger an exporter's ability to compete in world markets.

One of the most important European facilitation initiatives which has been successfully employed is freedom of transit. With the adoption of intra-regional transport agreements throughout Europe in the nineteenth century, the principles of free transit on rivers, canals and overland gradually became established as recognition grew that such transit was necessary for the development of commerce and industry. By the end of the nineteenth century, for example, transit duties in respect of European intra-regional trade had virtually disappeared. Based in part upon these European antecedents, the League of Nations prepared in 1921 the first international convention concerning freedom of transit - the Convention and Statute on Freedom of Transit. As this Convention did not distinguish between riparian and non-riparian States, it came to be regarded for over 40 years as a minimum standard in negotiations for bilateral and multilateral agreements on transit. Additionally, modern European transit conventions continue to successfully treat the transit needs of all States alike; examples of such conventions are the Customs Convention on the International Transit of Goods (ITI-1971), which applies to containers and certain heavy or bulky objects transported by one or a combination of means, and the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR-1975) which applies to goods transported by road vehicles or in containers.

By way of comparison, while the Latin American region now possesses a reasonably complete network of highways and rail connexions between countries, the governments of this region have only just begun to formulate the bases for international land transport and transit agreements and related business practices which will facilitate the regional transport and transit of goods, transport equipment and persons. With adequate physical and institutional land transport infrastructures, many Latin American countries may become

/transit States

transit States for the commerce of neighbouring countries. For example, there are vast areas of potential growth in the interior of the continent - including parts of Argentina, Bolivia, Brazil and Paraguay - whose access to markets both inside and outside Latin America are dependent upon adequate transit facilities. Thus, measures to satisfy such transit needs for landlocked and riparian States alike must be sought through regional economic co-operation, creation of a regional land transport infrastructure, and recognition of the importance of transit trade in the process of regional economic growth.

Although the complexities and redundancies of documentation and the lack of regional principles concerning freedom of transit are highly visible and costly non-tariff burdens on Latin American trade, they are not the only areas of importance for trade and transport facilitation. Through its work on trade and transport facilitation, the CEPAL secretariat has identified a large number of areas in which facilitation work could usefully be undertaken and in which the secretariat has gained competence to help regional co-operation to overcome problems presently hindering trade. Among others, some of these areas are as follows:

1. Facilitation of the movement of vehicles between countries and the reduction of their stay in terminals and at frontiers:
 - (a) Efficient systems for authorizing transport companies (including multinational companies), their vehicles and related equipment to operate in foreign countries;
 - (b) Third party liability régimes;
 - (c) Certification of the technical competence of crews and compliance with migration regulations;
 - (d) Schemes to assure adequate compensation for the use of transport infrastructure and for services received;
 - (e) Documentation requirements;
 - (f) Statistical reporting requirements;
 - (g) Co-ordination of frontier formalities, including port formalities;
 - (h) Vehicle and equipment leasing and interchange agreements;
 - (i) Vehicle and equipment standards, in co-ordination with physical infrastructure standards;

/(j) Schemes

- (j) Schemes to obviate double taxation;
 - (k) Transfer of funds internationally.
2. Facilitation of the movement of goods between countries:
- (a) Aligned commercial and transport documentation;
 - (b) Statistical reporting requirements;
 - (c) Harmonization of merchandise nomenclatures;
 - (d) Special requirements for dangerous goods: procedures and documentation;
 - (e) Co-operative agreements among cargo insurers;
 - (f) Agreement on terms of payment and terms of shipment;
 - (g) Special arrangements for small shipments;
 - (h) Special arrangements for maritime transshipment centres;
 - (i) Special arrangements to encourage exports;
 - (j) Joint cargo loss prevention teams (especially for landlocked countries).
3. Facilitation of the movement of both vehicles and goods between countries:
- (a) Establishment of appropriate customs régimes, especially for customs transit;
 - (b) Establishment and regulation of multimodal transport operators;
 - (c) Diffusion of information about available transport routes and services, including costs and quality;
 - (d) Establishment of full-service interior cargo terminals;
 - (e) Régimes establishing the civil liability of transport operators toward cargo owners;
 - (f) Prompt transmission of trade and transport documentation (including transmission using EDP techniques), and harmonization of legal requirements, including authentication and negotiability;
 - (g) Development of appropriate codes for use in trade and transport documents;
 - (h) Special arrangements for landlocked countries;
 - (i) International regulation of freight tariffs, especially the form of their presentation;
 - (j) Regulations to facilitate international river transport;
 - (k) Evaluation of the introduction of new transport technology and agreement concerning it among affected countries;

/(1) Study

- (l) Study of regional interests in relation to issues to be considered in world forums where facilitation measures are discussed and adopted;
- (m) Replacement of consular formalities by more appropriate procedures and taxes.

As was noted in the introduction, the United Nations family of organizations is actively involved in many facets of trade and transport facilitation. CEPAL, as a United Nations regional economic commission, is in a position to relate Latin American initiatives undertaken at the national and regional levels to facilitation efforts involving other regions of the world. However, it should be evident, not only from the length of this list but also from the diversity of areas referred to in it in which facilitation might advantageously be carried out, that it is not possible to work simultaneously in all areas and that it is essential to establish priorities.

The commitment to trade and transport facilitation and the European institutional experience

Latin American foreign trade began with the exportation of agricultural products and raw materials to the more industrialized regions of the world via ocean transport in an age when sailing ships were beating their ways across oceans in search of cargoes. Many of the ocean transport commercial practices then established to link shippers, transport operators, port authorities, bankers, insurance companies, customs, consignees and others are still in practice. As advancing technology has produced high-speed ships with superior cargo handling features such as containerization, barges and roll-on/roll-off facilities, and as electronic data processing and transmission have become more frequent, these antiquated ocean transport commercial practices now threaten the success of the trade they were intended to assist.

By way of comparison, as foreign trade among the European nations began many years before significant volumes of goods were transported to other continents, international transport among these nations has been the subject of extensive international co-operation. For example, the idea of freedom of river navigation for international trade was formulated as early as 1792, and by the middle of the nineteenth century binding agreements had been made by interested European nations; the Berne Convention of 1890 established

/control over

control over movements of international freight by rail, and was later to include similar control over passenger travel. As a result of such co-operation in intra-regional transport, the European nations many decades ago began taking important initiatives in facilitation. The European experience in facilitation has shown that such informal integration efforts not only reduce unnecessary burdens on trade and transport but also contribute to formal integration schemes.

Although solutions for trade and transport facilitation problems appear permanent, such is not the case. A facilitation measure that simplifies an international trade procedure or requirement in a given context or time period may later become a burden on the commerce it sought to facilitate. For example, measures instituted to facilitate the movement of break-bulk cargoes may be unsuited for a change to containerized cargoes and thus become a burden on such commerce. Therefore, if trade and transport facilitation is to provide any lasting benefit it must be understood as an ongoing study and revision programme.

Trade and transport facilitation problems arise in two interrelated contexts - from the use of unnecessary or inappropriate commercial practices, and from a lack of harmonization among the various national, regional and international commercial practices. As the international movement of goods, transport equipment and persons is simply a grouping of separate national transport operations, controlled by each country's legal and institutional régimes, the focus of facilitation activities must be at the national level. However, as many facilitation efforts at the national level will be sterile unless carried out simultaneously among trading partners, the great majority of national facilitation problems have to be approached and solved in concert with regional and even international interests. For example, customs, financial and insurance aspects of transport are international in nature, and a national proposal with regard to any of these factors can best be adopted through collaboration among the various countries that might be affected.

/As trade

As trade and transport facilitation involves many aspects of regional and international trade, it is a vast multidisciplinary field requiring the ongoing support of many entities, - both governmental and private - located in different countries. Facilitation is not only a vast multidisciplinary field but also a co-operative endeavour aimed at helping solutions to evolve through contact, study and discussions at the national, regional and international levels. As facilitation measures cannot be imposed by one sector on another, and even less by one country or region on another, a continuing dialogue both among sectors within each country and at the international level is the only methodological tool which has proven successful for facilitation work.

As Europe has long recognized the cost savings resulting from the facilitation of trade and transport, nearly all European countries have established facilitation groups. Further, representatives from these groups, together with representatives from organizations such as the International Chamber of Shipping (ICS), the Customs Co-operation Council (CCC), the International Civil Aviation Organization (ICAO) and the Inter-Governmental Maritime Consultative Organization (IMCO), meet frequently in different forums to discuss problems ranging from the contents of a particular customs document to the negotiation of an international treaty. A large number of these meetings are held under the auspices of the ECE's Working Party on Facilitation of International Trade Procedures.

CEPAL resolution 356 (XVI) recognized the need for Latin American co-operation in the facilitation field and envisioned a role for CEPAL in this area. Considerable progress has been made during the last four years, and it now seems appropriate to undertake activities which require systematic participation by the member countries themselves. In all facilitation work the political will of countries to adopt measures is essential, and the efforts of the secretariat will be wasted if its studies are not converted into regional action. The Commission may therefore wish to request that the secretariat convene specialized regional and subregional facilitation meetings during 1979 and 1980 to:

/(a) identify

- (a) identify principal facilitation problems at the national, subregional and regional levels;
- (b) assist the secretariat in establishing priorities for its facilitation work programme;
- (c) promote the establishment of national facilitation groups;
- (d) create lines of communication between the various national, regional and international facilitation groups;
- (e) co-ordinate and harmonize proposed facilitation measures; and
- (f) prepare recommendations to the Commission which would assure a more permanent, ongoing facilitation action programme.